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SPY AGENCY, DULLES DEFENDED

White House O.K.'ed NSA Funds

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A high intelligence source intimately connected with former Central Intelligence Agency Director Allen W. Dulles insisted today the CIA's 15-year practice of supplying millions of dollars to the National Students Association and other student groups:

- Violated no restrictions in the agency's charter.
- Was "ordered by and scrupulously followed from the very top," meaning the White House.
- Was extremely successful in countering communist propaganda at youth rallies abroad.
- Did not use American students as spies abroad.

COUNTERACT REDS

Mr. Dulles knew of the student money involvement program, but he did not initiate it, the source said. Initial contacts with student organizations in this country were made "to counteract the Soviet communist practice of using youth organizations as fronts to control youth movements in other countries.

The communists financed students and packed the assemblies — mass rallies in Helsinki, Vienna, Berlin and elsewhere — with fellows who would spout their views.

"It was very successful, highly successful," the source asserted. He said the money was spent here only to facilitate student attendance at overseas meetings "because many students had 'money of their own.'"

This did not violate a ban of clandestine activities inside the U. S., he said, because "we don't and didn't operate in this country. Money is spent in this country but spending money

here isn't operating here. We spend money on the headquarters building, and on evaluation here of intelligence gathered abroad."

The source's statements came in response to an accusation by Sen. Eugene J. McCarthy (D., Minn.) that the CIA expanded beyond intelligence gathering into other fields "beginning when Allen W. Dulles was its director and his brother John Foster Dulles was Secretary of State."

Sen. McCarthy charged that "before the Dulleses, the CIA operated as an intelligence agency with little criticism. But since 1952, there have been more and more and more reports of CIA activities of this kind."

"The agency has become the operating arm of the State Department overseas and also here at home," Sen. McCarthy declared. "The record shows the CIA function has been greatly expanded and confused" since Mr. Dulles took over.

"There have been five or six indications of its involvement in primarily domestic operations," he added. Besides the disclosure the CIA supplied a reported \$3 million to the NSA and additional money to other

domestic organizations, Sen. McCarthy cited reported CIA backing of universities, campus research programs, the subsidizing of the writing of books for foreign and domestic consumption and radio broadcasts having influence at home and abroad.

SHOW TREND

Calling for a study of CIA activities by a select Senate committee, Sen. McCarthy said it "might show whether that actually is the trend. Such a study would also look into subsidizing by the CIA of American labor union activities abroad, of the possible use by the CIA of American philanthropic foundations as a front for domestic propaganda, and of the several field offices the CIA maintains in various U. S. cities."

Sen. McCarthy's proposed committee would share the spotlight with several other CIA investigations. President Johnson has ordered Under Secretary of State Nicholas Katzenbach to work with Health, Education and Welfare Secretary John Gardner and present CIA Director Richard Helms in conducting a "careful review" of the CIA's involvement in American education.

Rep. Carl D. Perkins (D., Ky.) said his Education and Labor Committee will investigate the NSA funding. Rep. Benjamin S. Rosenthal (D., N.Y.) said he wants a joint committee to "require the CIA to keep the committee currently and adequately appraised of operations." Rep. William F. Ryan (D., N.Y.) and Rep. Edith Green (D., Ore.) both called for a joint watchdog committee, as did Rep. Clement Zablocki (D., Wis.).

Mansfield Hits CIA

The CIA's involvement in student affairs was denounced today as a "move toward big brotherism" by Sen. Mike Mansfield.

The Senate Democratic leader, a former college professor, proposed that the Congressional watchdog panel that rides herd on CIA activities hold its own investigation of the agency activities.

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